

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name <i>Dept of Public Works Sanitary Landfill Enterprise</i>	County Wexford
Audit Date 12/31/04	Opinion Date 5/19/05	Date Accountant Report Submitted to State: 8/8/05	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	<i>Enclosed w/ primary government</i>		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) Anderson, Tackman & Company, PLC			
Street Address 16978 S. Riley Avenue	City Kincheloe	State MI	ZIP 49788
Accountant Signature <i>Anderson Tackman & Co PLC</i>		Date 8/8/05	

COUNTY OF WEXFORD, MICHIGAN
DEPARTMENT OF PUBLIC WORKS,
SANITARY LANDFILL ENTERPRISE
(an enterprise fund of the County of Wexford, Michigan)

Financial Report

December 31, 2004

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT	1
FINANCIAL STATEMENTS:	
Statement of Net Assets.....	2
Statement of Revenue, Expenses, and Changes in Net Assets	3
Statement of Cash Flows	4
NOTES TO FINANCIAL STATEMENTS	5



ANDERSON, TACKMAN & COMPANY, PLC
CERTIFIED PUBLIC ACCOUNTANTS

KINROSS OFFICE

PHILLIP J. WOLF, CPA, PRINCIPAL
SUE A. BOWLBY, CPA, PRINCIPAL
KENNETH A. TALSMA, CPA, PRINCIPAL

DEANNA J. MAYER, CPA

MEMBER AICPA
DIVISION FOR CPA FIRMS

MEMBER MACPA

OFFICES IN
MICHIGAN & WISCONSIN

INDEPENDENT AUDITOR'S REPORT

To the Board of Public Works
Wexford County
Cadillac, Michigan

We have audited the accompanying financial statements of the Sanitary Landfill, enterprise fund of the County of Wexford, Michigan as of and for the year ended December 31, 2004, as listed in the Table of Contents. These financial statements are the responsibility of the County of Wexford, Michigan's management. Our responsibility was to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only an enterprise fund and do not purport to, and do not, present fairly the financial position of the County of Wexford, Michigan as of December 31, 2004, and the changes in financial position and its cash flows, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Sanitary Landfill, enterprise fund of the County of Wexford, Michigan as of December 31, 2004, and the changes in financial position and its cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The County has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America have determined is necessary to supplement, although not required to be part of, the basic financial statements.

Anderson, Tackman & Company, PLC
Certified Public Accountants

May 19, 2005

Financial Statements

County of Wexford, Michigan
Sanitary Landfill Enterprise

Statement of Net Assets
December 31, 2004

Assets

Current assets:

Cash and cash equivalents (Note 2)	\$ 5,506,542
Investments (Note 2)	5,889,194
Accounts receivable	<u>127,806</u>
Total current assets	<u>11,523,542</u>

Noncurrent assets:

Restricted assets (Note 3):

Cash	280,000
Investments	1,088,250
Capital assets – Net (Note 4)	<u>3,453,647</u>

Total Noncurrent assets	<u>4,821,897</u>
-------------------------	------------------

Total assets	<u><u>\$ 16,345,439</u></u>
--------------	-----------------------------

Liabilities

Current liabilities:

Accounts payable	282,475
Accrued payroll and other liabilities	6,189
Current portion of capital leases (Note 8)	<u>102,776</u>

Total current liabilities	<u>391,440</u>
---------------------------	----------------

Noncurrent liabilities:

Capital leases – Net of current portion (Note 8)	459,304
Estimated liability for landfill closure and postclosure costs (Note 3)	<u>5,666,141</u>

Total Noncurrent liabilities	<u>6,125,445</u>
------------------------------	------------------

Total liabilities	<u>6,516,885</u>
-------------------	------------------

Net Assets

Invested in capital assets – Net of related debt	2,891,567
Unrestricted	<u>6,936,987</u>
Total net assets	<u><u>\$ 9,828,554</u></u>

County of Wexford, Michigan
Sanitary Landfill Enterprise

**Statement of Revenues, Expenses,
and Changes in Net Assets
Year Ended December 31, 2004**

Operating Revenues	
Charges for Services	\$ 2,184,423
Other Revenue	10,411
	<hr/>
Total Operating Revenues	2,194,834
	<hr/>
Operating Expenses Before Depreciation	
Salaries and Wages	189,256
Employee Fringe Benefits	86,670
Office Supplies	5,950
Operating Supplies	100,634
Legal and Professional Fees	14,478
Insurance and Bonds	38,963
Leachate Treatment	781,507
Laboratory Services	15,662
Engineering Service	255,842
Utilities	56,314
Travel Expenses	90
Repairs and Maintenance	34,110
Groundwater Remediation	1,346,610
Equipment Lease	29,366
Waste Management Fees	31,022
Contractual Services	143,717
Landfill Closure and Postclosure costs	776,285
Township Fee	38,022
Miscellaneous Expense	28,133
	<hr/>
Total Operating Expenses Before Depreciation	3,972,631
	<hr/>
Operating Loss Before Depreciation	(1,777,797)
Depreciation	338,888
	<hr/>
Operating Income (Loss)	(2,116,685)
	<hr/>
Nonoperating Income (Loss)	
Interest Earnings	264,692
Unrealized Gain (Loss) on Investments	(59,180)
	<hr/>
Total Nonoperating Income (Loss)	205,512
	<hr/>
Income (Loss) - Before Operating Transfers	(1,911,173)
Other Financing Sources (Uses)	
Operating Transfers (Out)	(620,145)
	<hr/>
Decrease in Net Assets	(2,531,318)
Net Assets - January 1, 2004	12,359,872
	<hr/>
Net Assets - December 31, 2004	\$ 9,828,554
	<hr/>

County of Wexford, Michigan
Sanitary Landfill Enterprise

Statement of Cash Flows
Year Ended December 31, 2004

Cash Flows from Operating Activities:

Receipts from customers	\$ 2,255,140
Payments to suppliers	(3,069,227)
Payments to employees	<u>(285,198)</u>
Net cash used in operating activities	<u>(1,099,285)</u>

Cash Flows from Capital and Related Financing Activities:

Purchase of capital assets	(200,270)
Principal and interest from capital leases	<u>(98,999)</u>
Net cash used in capital and related financing activities	<u>(299,269)</u>

Cash Flows from Noncapital and Related Financing Activities:

Operating transfers out	<u>(620,145)</u>
Net cash used in noncapital and related financing activities	<u>(620,145)</u>

Cash Flows from Investing Activities:

Interest received on investments	264,692
Proceeds from the sale and maturities of investment securities	<u>6,044,102</u>
Net cash provided by investing activities	<u>6,308,794</u>

Net Increase in Cash 4,290,095

Cash – January 1, 2004 1,496,447

Cash – December 31, 2004 \$ 5,786,542

Reconciliation of Operating Income to Net Cash

Provided by Operating Activities:

Operating loss	\$ (2,116,685)
Adjustments to reconcile operating income to net cash from operating activities – Changes in assets and liabilities:	
Accounts receivable	60,306
Depreciation	338,888
Accounts payable	(148,807)
Accrued and other liabilities	(9,272)
Estimated liability for Landfill closure and postclosure costs	<u>776,285</u>
Net cash used in operating activities	<u><u>\$ (1,099,285)</u></u>

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Wexford, Michigan (the County) established the Sanitary Landfill (the Landfill) to provide waste collection within the County under the administration of the County of Wexford, Michigan. The Sanitary Landfill Fund (the Fund), an Enterprise Fund, separately accounts for the Sanitary Landfill, as is required by the County of Wexford, Michigan. The following is a summary of the more significant accounting policies followed in the preparation of the Fund's financial statements. These policies conform to accounting principles generally accepted in the United States of America.

Reporting Entity

In accordance with the criteria established by the Governmental Accounting Standards Board, the Sanitary Landfill, is considered an enterprise fund of the County of Wexford, Michigan for financial accounting and reporting purposes. These criteria include: the extent of oversight responsibility, selection of governing authority, designation of management, the ability of the County to significantly influence operations, the accountability for fiscal matters including the level of County financing and/or moral or legal responsibility for long-term debt. Therefore, the financial statements of the Sanitary Landfill fund of the County of Wexford, Michigan is presented in the financial statements as an enterprise fund, which is an integral part of the financial reporting oversight unit of the County of Wexford, Michigan.

The Fund operates, maintains, and accounts for the County's sanitary landfill.

Basis of Accounting

The accrual basis of accounting is used by the Fund. The Fund follows all pronouncements of the Governmental Accounting Standards Board and those of the Financial Accounting Standards Board issued prior to November 30, 1989. The Fund has elected not to follow private sector standards used after November 30, 1989.

Cash Equivalents

For the purpose of the statement of cash flows, the enterprise fund considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. In addition, the statement of cash flows includes restricted and unrestricted cash and cash equivalents.

Investments

Investments are recorded at fair value, based on quoted market prices.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

Inventories held by the Fund are not considered material and are not shown in these financial statements.

Receivables

All trade receivables are shown without an allowance for uncollectible accounts because delinquent amounts attach as a lien against the benefited properties, which assures their eventual collection.

Capital Assets

All capital assets are recorded at cost or, if donated, at their estimated fair value on the date donated. The assets of the Fund consist of equipment items used to run the Fund. Depreciation on such capital assets is charged as an expense against operations on a straight-line basis.

Compensated Absences (Vacation and Sick Leave)

It is the County's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. A portion of the sick pay, depending on department, and all vacation pay is eligible to be paid out when employees separate from service with the County. The sick and vacation pay that is eligible to be paid out when employees separate from service with the County is accrued in the government-wide financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the period. Actual results could differ from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

The deposits and investments of the Fund are classified on the balance sheet as follows:

Cash	\$ 5,506,542
Investments	5,889,194
Restricted assets (Note 3)	<u>1,368,250</u>
Total	<u>\$ 12,763,986</u>

The above amounts are classified by the Governmental Accounting Standards Board Statement No. 3 in the following categories:

	Balance Sheet Classification			Total
	Cash	Investments	Restricted Assets	
Deposits (checking accounts And certificates of deposit)	\$ 5,506,542	\$ -	\$ 280,000	\$ 5,786,542
Investments	<u>-</u>	<u>5,889,194</u>	<u>1,088,250</u>	<u>6,977,444</u>
Total	<u>\$ 5,506,542</u>	<u>\$ 5,889,194</u>	<u>\$ 1,368,250</u>	<u>\$ 12,763,986</u>

The above deposits were reflected in the accounts of the bank (without recognition of checks written but not yet cleared or of deposits in transit) at \$5,786,542. Of that amount, up to \$300,000 was covered by federal depository insurance. The insurance coverage pertains to all the deposits of the County; hence, the specific coverage pertaining to the Fund, if any, is not determinable. Of the proceeding deposit amounts, therefore, the uninsured and uncollateralized portions totaled at least \$5,486,542.

Management believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all of the bank deposits. As a result, the Fund evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

The County is authorized by Michigan Public Act 20 of 1943 (as amended) to invest surplus monies in U.S. bonds and notes, certain commercial paper, U.S. government repurchase agreements, bankers' acceptances, and investment pools that are composed of authorized investment vehicles. The bank investment pools are regulated by the Michigan Banking Act. Investments under the interlocal agreement (MBIA-CLASS) are regulated by the Urban Cooperation Act. The fair value of the position in the bank investment pools and interlocal agreement pools is the same as the value of the pool shares.

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

The Fund's investments are categorized below to give an indication of the level of risk assumed by the Fund at December 31, 2004. Risk category 1 investments are held by the counterparty's trust department (or agent) in the County's name and include those investments that meet any one of the following criteria:

- a. Insured
- b. Registered
- c. Held by the County or its agent

Risk Categories 2 and 3 include investments that are neither insured nor registered. Category 2 includes investments that are held by the counterparty's trust department (or agent) in the County's name. Category 3 includes investments held by:

- a. The counterparty
- b. The counterparty's trust department (or agent) but not in the County's name

	Carrying Value <u>(Fair Value)</u>
U.S. government securities (Category 2)	\$ 2,078,207
Asset backed securities (Category 2)	1,056,945
Money market funds (Category 2)	<u>3,842,292</u>
Total	<u>\$ 6,977,444</u>

To the extent that cash from various funds has been pooled, related investment income is allocated to each fund based on relative participation in the pool.

Included in the County's investments as of the balance sheet date are approximately \$1,001,678 of obligations of the Federal National Mortgage Association, \$200,988 of obligations of the Government National Mortgage Association, and approximately \$1,932,486 of obligations of the Federal Home Loan. These investments are usually not backed by the full faith and credit of the U.S. government, but are generally considered to offer modest credit risks. The yields provided by these mortgage-related securities historically have exceeded the yields on other types of U.S. government securities with comparable maturities, in large measure due to the potential for prepayment. Prepayment could result in difficulty in reinvesting the prepaid amounts in investments with comparable yields.

County of Wexford, Michigan
Sanitary Landfill Enterprise

Notes to Financial Statements
December 31, 2004

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

FAIR VALUE OF INVESTMENT ACTIVITY

Security	Stated Value	Fair Value 12/31/03	Purchase (Sale)	Fair Value 12/31/04
Fed. Homeloan, int. 2%, due 07/21/08	\$ 250,000	\$ 247,265	\$ -	\$ 248,595
Fed. Nat. Mtg., int. 3.6%, due 04/30/08	950,000	955,349	(950,000)	-
Fed. Nat. Mtg., int. 2.8%, due 11/13/06	850,000	853,451	-	843,362
Fed. Nat. Mtg., int. 3.02%, due 04/20/07	1,000,000	1,003,750	(1,000,000)	-
Fed. Nat. Mtg., int. 5.5%, due 06/25/30	450,000	259,007	-	158,317
Fed. Homeloan, int. 5%, due 04/15/18	1,500,000	1,232,238	-	697,640
Govt. Nat. Mtg., int. 4.5%, due 04/16/27	200,000	199,704	-	200,988
Fed. Homeloan, int. 2.25%, due 07/28/06	1,000,000	-	1,003,563	986,250

NOTE 3 - RESTRICTED ASSETS

The Fund's restricted assets are comprised of the following:

Investments restricted for landfill bonding	\$ 280,000
Investments restricted for perpetual care	<u>1,088,250</u>
Total restricted assets	<u>\$ 1,368,250</u>

The investments restricted for landfill bonding consist of an irrevocable letter of credit to the Michigan Department of Natural Resources in the amount of \$280,000 for the bonding of the Wexford County Sanitary Landfill. Certificates of deposit in the amount of \$280,000 were pledged and assigned to Citizens Bank as security for any draws on the letter of credit. The annual fee for the letter of credit is 1 percent.

The investments restricted for perpetual care consist of funds set aside for closure, monitoring, and maintenance of the landfill and for response activity necessitated by potential contamination discharge from the landfill.

The operator of the landfill is required to designate a custodian of the fund and deposit amounts into the fund based on the volume and the type of material disposed of in the landfill. The custodian is not to disburse any amount of the fund to the operator of the landfill without the approval of the director of the Department of Natural Resources.

Thirty years after the closure of the landfill, 50 percent of any money in the Perpetual Care Fund may be returned to the operator.

NOTE 3 - RESTRICTED ASSETS (Continued)

To comply with this act, the landfill contracted with the director of the Department of Natural Resources to establish a perpetual care fund with JP Morgan as the designated custodian. The landfill had begun to make the required deposits into a separate savings account until the contract with the Department of Natural Resources is completed. The perpetual care fund's balance at December 31, 2004 was \$1,088,250.

Landfill – Closure and Postclosure Care Costs

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$5,666,141 reported as landfill closure and postclosure care liability at December 31, 2004 represents the cumulative amount reported to date based on the use of approximately 77 percent of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure of approximately \$1,724,478 as the remaining estimated capacity is filled. The estimated remaining life of landfill based on current consumption of cells in use is 3 years.

These amounts are based on what it would cost to perform all closure and postclosure care in current dollars. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The County expects that future costs, including inflation and changes in technology or applicable laws and regulations, will be paid in cash and investments maintained in the Sanitary Landfill Enterprise Fund as well as charges to future landfill users.

NOTE 4 - CAPITAL ASSETS

The capital assets of the Fund are composed of the following:

	Balance January 1, 2004	Additions	Disposals	Balance December 31, 2004	Estimated Depreciable Life – Years
Capital assets not being depreciated:					
Land	\$ 97,806	-	-	\$ 97,806	-

County of Wexford, Michigan
Sanitary Landfill Enterprise

Notes to Financial Statements
December 31, 2004

NOTE 4 - CAPITAL ASSETS (Continued)

	Balance January 1, 2004	Additions	Disposals	Balance December 31, 2004	Estimated Depreciable Life – Years
Capital assets being depreciated:					
Building and improvements	127,162	194,197	-	321,359	7-40
Site improvements	3,506,012	-	-	3,506,012	4-40
Vehicles	387,844	-	-	387,844	5-7
Machinery and equipment	979,846	6,075	-	985,921	5-10
Office furniture and fixtures	60,079	-	-	60,079	5-10
Subtotal	5,060,943	200,272	-	5,261,215	
Accumulated depreciation:					
Building and improvements	(14,593)	(7,943)	-	(22,536)	
Site improvements	(972,249)	(96,474)	-	(1,068,723)	
Vehicles	(228,497)	(54,297)	-	(282,794)	
Machinery and equipment	(317,154)	(173,779)	-	(490,933)	
Office furniture and fixtures	(33,993)	(6,395)	-	(40,388)	
Subtotal	(1,566,486)	(338,888)	-	(1,905,374)	
Net capital assets being depreciated	\$ 3,494,457	\$ (138,616)	\$ -	\$ 3,355,841	
Total net capital assets	\$ 3,592,263	\$ (138,616)	\$ -	\$ 3,453,647	

NOTE 5 - POST EMPLOYMENT BENEFITS

The County provides health care benefits to all full-time employees upon retirement. The cost associated with this benefit is charged to the County's self-insurance fund when incurred. Currently, one retiree is eligible. The County includes pre-Medicare retirees and their dependents in its insured health care plan. The County charges the retirees a monthly fee to participate. During the year ended December 31, 2004, the County collected approximately \$637 from retirees.

NOTE 6 - DEFINED BENEFIT PENSION PLAN

The County's employees who operate the Fund are covered by a defined benefit pension plan. Complete information about the plan can be found in the County's basic financial statements. The County is required to contribute yearly a percentage of each eligible employee's salary as determined by MERS annually. The percentage for the year ended December 31, 2004 was 9.03%. Annual pension expense allocated to the Fund amounted to approximately \$15,564 for the year ended December 31, 2004.

NOTE 7 - RISK MANAGEMENT

The Fund is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (worker's compensation), as well as medical benefits provided to employees. The Fund participated in the County's risk management program. The County has purchased commercial insurance for worker's compensation and medical benefit claims, and participates in the Michigan Municipal Risk Management Authority risk pool for claims relating to general liability.

The Michigan Municipal Risk Management Authority risk pool program operates as a claims servicing pool for amounts up to member retention limits and operates as a common risk-sharing management program for losses in excess of member retention amounts. Although premiums are paid annually to the Michigan Municipal Risk Management Authority that the Michigan Municipal Risk Management Authority uses to pay claims up to the retention limits, the ultimate liability for those claims remains with the County.

Detailed information concerning estimates of liability for claims is provided in the County's basic financial statements.

NOTE 8 - CAPITAL LEASE COMMITMENTS

The Sanitary Landfill entered into lease obligations for equipment as listed below:

2005	\$ 123,337
2006	123,337
2007	123,337
2008-thereafter	<u>242,698</u>
Total	<u>\$ 612,709</u>
Interest	50,629
% Interest	4%
Payment	\$2,374 to \$4,669

NOTE 9 - CONTINGENT LIABILITIES

The Landfill is currently undergoing a review by the Michigan Department of Environmental Quality for a possible groundwater contamination. As of the date of our report MDEQ has not determined a corrective course of action nor have any costs been determined.

NOTE 10 - SUBSEQUENT EVENT

The Fund approved a waste relocation project with CTI in the amount of \$800,000 in February of 2005.